



R E P O R T
OF THE
INDIAN TARIFF BOARD
ON THE CONTINUANCE OF PROTECTION TO THE
SEWING MACHINE INDUSTRY

सत्यमेव जयते

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PERSONNEL OF THE BOARD

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Dr. H. L. DEY, D.Sc. (Lond.)	<i>Member.</i>
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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

New Delhi, the 14th January, 1950.

RESOLUTION

} (Tariffs)

No. 18(4)T.B./49. In the Government of India, Department of Commerce, Resolution No. 218-T(55)/45, dated May 4, 1946, the Tariff Board enquired into the claim of the Sewing Machine Industry for protection. The Tariff Board recommended protection which was granted. This protection is now due to expire on March 31, 1950. The Tariff Board have conducted a fresh enquiry, and made the following recommendations:-

(i) That the existing protective duties should be continued for a period of three years, ending March 31, 1953.

(ii) That item 72(11) of the Schedule to the Indian Customs Tariff should be amended accordingly to show that protection is due to expire on March 31, 1953, under the column entitled 'Duration of protective rates of duty'.

(iii) That the distinction between industrial and domestic machines should be clearly defined as follows:

(a) sewing-machines of a landed cost above Rs. 300, inclusive of the cost of cover, should be regarded as industrial machines,

(b) sewing machines of a landed cost of Rs. 300 or below should be regarded as domestic machines, and

(c) if the landed cost of a sewing machine exceeds Rs. 300 merely because it is fitted with certain special apparatus e.g. an electric motor or a carrying case or a cabinet with a number of drawers, it should still be regarded as a domestic machine if it is really classifiable as such.

(iv) That the existing facilities in respect of transport of raw materials and finished products and for procurement of special steels, plywood veneer and boards, celluloid plates and plating materials, and needles, should be maintained, and

(v) That all the units in the industry should maintain and forward to the Tariff Board detailed cost data at the end of every half year, and statistics of production, sales and stocks, together with the list of selling prices, at the end of each quarter.

2. Government accept all the recommendations. The attention of the industry is drawn to recommendation (v).

REPORT ON THE CONTINUANCE OF PROTECTION TO THE SEWING MACHINE INDUSTRY

The Government of India, Ministry of Commerce, Reference to in their letter No. 134-T(19)/47, the Board, dated 11th June, 1948, had asked the Board to inquire into and report on the continuance of protection to certain war-time industries, sewing machine being one of them. It was pointed out in that letter that the then existing protection to the sewing machine industry would expire on 31st March, 1949. The Board made a summary inquiry and found that there was a *prima facie* case for the continuance of protection to this industry and, in its letter No. TB/G/1(15)-1, dated 17th December, 1948, recommended that, pending a detailed inquiry later on, the then existing protection should be continued for one more year. Government accepted this recommendation and decided to continue the protection to the sewing machine industry until 31st March, 1950, by the Protective Duties (Miscellaneous Provisions) Act of 1949. As the present period of protection is due to expire on 31st March next, the Board has to make a detailed inquiry as to the necessity or otherwise of the continuance of protection to the industry beyond that date.

2. The Board's terms of reference for this inquiry Terms of are stated in paragraph 2 of the Ministry of reference Commerce Resolution No. 30-T(1)/48, dated 6th August, 1948. This paragraph is as follows:-

"The Tariff Board is also hereby authorised to maintain a continuous watch over the progress of protected industries by conducting inquiries, as and when necessary, on the effect of the protective duties or other means of assistance granted, and advise the Government regarding the necessity or otherwise of modifying the protection or assistance granted. The Board should also keep a careful watch to ensure that conditions attached to the grant of protection were fully implemented and that the protected industries were being run efficiently."

3. The claim of the sewing machine industry for Previous Tariff protection and assistance was first Board Inquiry. referred to the Tariff Board by the Government of India (in the late Department of Commerce) in their Resolution No. 218-T(55)/45, dated 4th May, 1946, read with their earlier Resolution of the same number, dated 3rd November, 1945. The application for protection in this case had been made by Jay Engineering Works Ltd., Calcutta, in their letter dated 6th November, 1945. The Board, after having held an inquiry, reported to Government in January 1947. The Board recommended that-

- (i) the then existing revenue duties should be converted into protective duties, which should remain in force until 31st March, 1949;
- (ii) if there was an appreciable fall in the c.i.f. prices or in the selling prices of Singer sewing machines 15K81 and 15K80 which might lower the margin of difference between the retail selling prices of these two Singer machines and the corresponding 'Usha' machines below the figures indicated by the Board, thereby jeopardising the measure of protection, it would be open to the industry to apply to Government for a review of the case;
- (iii) a new item viz., 72(11), should be entered in the Import Tariff Schedule, comprising sewing machines and parts thereof; and
- (iv) the industry should, in future, maintain satisfactory cost accounts in respect of sewing machines.

Government, in their Resolution No. 218-T(27)/47, dated 22nd March, 1947, decided to accept the foregoing recommendations of the Board, and also wished to impress upon the industry the necessity for paying sufficient attention to research by setting aside adequate funds for the purpose. It may be noted that since the last inquiry, Jay Engineering Works Ltd. have maintained satisfactory accounts separately in

respect of their sewing machines and that they have devoted considerable attention to research and experiments resulting in a definite improvement in the quality of their products. In this connection, it may be mentioned that they have a well organised section for research and development, their expenditure on this section being Rs. 1,05,452 in 1947-48 and Rs. 83,291 in 1948-49.

4. A press communique was issued on 6th May, 1949, Method of inviting firms, persons or associations, who inquiry, desired that their views should be considered by the Board, to forward their representations. The standard questionnaires (for review cases) were sent to the known producers and to the importers and consumers. A list of persons or firms to whom the questionnaires were issued and those who replied or submitted memoranda, is given in Appendix II. Dr. H. L. Dey, Member, visited the Jay Engineering Works, Calcutta, on 9th June, 1949. He also discussed the main problems of the industry with Mr. T. R. Ghose, General Manager and Director of the Firm. Mr. K. Nagaswami, Assistant Cost Accounts Officer, and Mr. R. N. Kapur, Technical Adviser to the Board, visited Jay Engineering Works from 22nd to 27th July, 1949 and investigated the cost of production of sewing machines at this factory. Mr. Kapur also visited the factory of M/s. K. C. Mullick & Sons Ltd., Calcutta. Representatives of the manufacturers, importers and consumers appeared before the Board and tendered evidence on 29th, 30th and 31st August and 1st September, 1949. A list of these representatives will be found in Appendix II.

5. At the time of the previous tariff inquiry Progress of (1947), there were only two units in the industry actual production, viz., (i) Jay Engineering Works Ltd., Calcutta and (ii) K. C. Mullick & Sons Ltd., Calcutta, but the latter firm was not included in the list of manufacturers furnished to the Board by Government, nor did this firm take any interest in that inquiry. The salient points regarding these two firms are described below:-

(i) **JAY ENGINEERING WORKS LTD. CALCUTTA.** - This firm was registered in 1936 and commenced production of sewing machines in 1937, the trade name of these machines being 'Usha'. During the war, however, the firm was required by Government to switch over a major portion of its productive capacity to the production of munitions. Consequently, the development of sewing machine manufacture was retarded for a few years. In 1943, however, the firm was given licences to import from the U.K. and the U.S.A., plant and machine tools for the sewing machine industry. During the war period, its production of sewing machines was practically confined to meeting the requirements of the Supply Department of the Central Government. When the war was over, it reorganised the factory on mass production lines. It secured the services of an expert, Mr. J. D. Scaife, who was President of the Institution of Engineers in the U.K. and had served with the Singer Sewing Machine Company. The factory of Jay Engineering is wellequipped and is laid out on modern lines. It has its own foundry for the production of Mechanite castings. As on 31st March, 1948, it had a paid-up capital of Rs. 15 lakhs and reserves amounting to Rs. 7.5 lakhs. Besides, it had raised debenture loans amounting to Rs. 10 lakhs and certain other loans amounting to about Rs. 28 lakhs. From 1944-45 to 1947-48, no dividends were distributed to the shareholders nor was any commission paid to the managing agents. The company, however, added Rs. 4.5 lakhs to its reserves in 1948 and increased the block by Rs. 8.77 lakhs in the two years 1947 and 1948, which shows that it has been following a conservative financial policy. Its production also has increased from 6,490 machines in 1946-47 to 20,937 machines in 1948-49. It may also be mentioned that the firm proposes to manufacture industrial machines within a period of two years.

(ii) **E. C. SULLICK & SONS LTD., CALCUTTA.** - This firm was originally started in 1928 as a private concern. It was registered as a public limited company in 1938. The paid-up capital of the Company as on 31st March, 1948 was Rs. 4.3 lakhs. Its factory is a four storied building located at 77/13 Charni Road.

Street in the midst of a residential area. From 1939 to 1945, the factory was under requisition by Government for the production of munitions. On release by Government, it started production of sewing machines in October, 1945. The trade name of these machines is 'Mullick'. The present rated capacity of the factory is stated to be 1,500 machines per annum. It produced 381 machines in 1946 (10 months), 388 machines in 1947 (10 months) and 803 machines in 1948 (10 months). The Company proposes to shift its factory to an extensive area in the northern suburbs of Calcutta, enlarge it considerably and equip it with new machines obtained from the U.K. and the U.S.A. The proposed new factory, with a rated capacity of 3,000 machines per month, is expected to go into production by the middle of 1950 and attain full production by the end of 1951. It employs about 150 workers at present.

6. (I) The basic raw materials required for the manufacture of sewing machines are:-

- (a) Meehanite castings;
- (b) different types of steel, viz.,

 - (i) M.S. (i.e. mild steel) Black sheet,
 - (ii) M.S. Bar,
 - (iii) M.S. Wire,
 - (iv) Carbon Steel rod,
 - (v) M.S. Bright sheet,
 - (vi) M.S. Bright rolled flat,
 - (vii) M.S. Deep drawing sheet,
 - (viii) Silver steel rod,
 - (ix) Spring steel strips and wires, and
 - (x) Piano forte wire.

Of these ten categories of steel, the first four are available in the country, and the remaining six have to be imported.

(II) The other raw materials required are:-

- (i) Wood: teak wood or plywood;
- (ii) Painting and plating materials, such as stoving enamel, lacquers, thinners, transfers, copper anodes and nickel anodes;
- (iii) Rubber rings and leather belt (for treadle machine only);

- (iv) Abrasive paper and cloth;
- (v) Accessories such as oil bottle, oil can, needle and metal accessory box.

As regards wood, Jay Engineering Works have stated that there are no indigenous plywood factories producing suitable types of veneer and boards for their requirements. They have been so far using indigenous wood for making bases, tables and covers for the sewing machine, but they are not satisfied with the quality of wood available in the country. They have, therefore, requested that they should be permitted to import timber worth about Rs. 30,000 per month. They also propose to set up a plywood factory to meet their own requirements of veneer and boards. Messrs. K. C. Mullick & Sons have, however, stated that they are using Burma teak for making tables and boards for their machines and that the quality of this teak is found to be fairly satisfactory. As regards paints, Jay Engineering Works obtain about 50 per cent. of their requirements in respect of black enamels from their own factory but they have stated that nitro cellulose paints and other paints, as well as plating materials have to be imported. Rubber rings are available in the country while leather belts are imported. About 70 per cent. of their requirements in respect of abrasive paper and cloth are obtained from indigenous sources while the rest has to be imported. Needles which are not manufactured in the country, are imported from Germany, the U.S.A., and Japan. Jay Engineering Works have stated that they propose to set up a factory for the manufacture of needles within a period of two years.

7. (a) **IMPORT CONTROL**.-The import control position in respect of sewing machines for import control and imports. the shipping period, January/June 1949, had been originally announced to be as follows (vide Ministry of Commerce Public Notification, dated 22nd February, 1949):-

SL.NO. OF THE SCHEDULE	DESCRIPTION OF THE ARTICLE	IMPORT TARIFF NO.	DOLLAR AREA	HARD CURRENCY AREA	STERLING AND SOFT CURRENCY COUNTRIES
(A) 287 PT. IV.	DOMESTIC SEWING MACHINES	72 (8) 72(10)	NO LICENCE WILL BE GRANTED	NO LICENCE WILL BE GRANTED	OGL XI
(B) 288 PT. IV.	PARTS OF SEWING MACHINES WHETHER DOMESTIC OR INDUSTRIAL	DO.	LIBERALLY	LIBERALLY	OGL XI
(C) 78 PT. V.	INDUSTRIAL SEWING MACHINES	72(10)	DO.	DO.	OGL XL

On 5th May, 1949, Government cancelled Open General Licence XI. Subsequently, on 19th May, 1949, Government announced O.G.L. XV according to which articles mentioned in item (C) above, namely, industrial sewing machines, were allowed to be freely imported from sterling and soft currency areas, while items (A) and (B) were on the restricted list. On 1st June, 1949, however, they announced a list of items which would be allowed to be imported by way of concession in respect of O.G.L. XI if commitments had been made in respect of these articles before 5th May, 1949. Items (A) and (B) mentioned above were included in the list of articles for whose imports special licences would be issued, so as to enable traders to obtain shipment of goods after 31st May, 1949, against commitments made in respect of these articles before 5th May, 1949. On 25th August, 1949, O.G.L. XV was cancelled, a revised O.G.L. XVI was issued in substitution thereof, and the principles governing the issue of import licences for July/December, 1949, were announced in the Ministry of Commerce Public Notice (Import Trade Control), dated 12th September, 1949. According to this Notice, import licensing position in respect of sewing machines is on next page:

SL. NO. OF ITC SCHEDULE	DESCRIPTION	IMPORT TARIFF NO.	DOLLAR AREA	WESTERN ZONE OF GERMANY	SWITZERLAND	SOFT CURRENCY COUNTRIES	REMARKS
287	DOMESTIC- SEWING MACHINES (COMPLETE)	72 (6) 72(11)	NO LICENCES	NO LICENCES	NO LICENCES	NO LICENCES	
288	PARTS OF SEWING MACHINES WHETHER DOMESTIC OR INDUSTRIAL	72 (6) 72(11)	SUBJECT TO QUOTA & MONETARY CEILING (NN)	SUBJECT TO QUOTA & MONETARY CEILING (NN)	SUBJECT TO QUOTA & MONETARY CEILING (NN)	SUBJECT TO QUOTA & MONETARY CEILING (NN)	(NN) LICENCES WILL BE GRANTED FOR SPE- CIFIED PARTS ONLY TO BE MEN- TIONED IN THE APPLI- CATION FOR LICENCES.
76	INDUSTRIAL SEWING MACHINES	72(11)	NO LICENCES	NO LICENCES	NO LICENCES	OGL XVI	

From the above statement regarding the import control policy, it will be noted that, with effect from 19th May, 1949, while imports of domestic sewing machines have been subject to severe restriction, imports of industrial sewing machines from sterling and soft currency areas have been put on OGL. In this connection, the Indian manufacturers have informed the Board, that, owing to the lack of clearly defined distinction between domestic and industrial sewing machines, large numbers of light industrial machines are being imported into the country which compete effectively as substitutes for indigenous domestic machines. We have investigated this matter and found that there is much force in the contention put forward by the indigenous manufacturers. Thus, for instance, the Singer Sewing Machine Company, which is the biggest competitor in the Indian market, has been recently importing large numbers of 15 KSV models of light industrial machines (both hand and treadle) which are somewhat different in design from, and slightly heavier than, Singer 15 K80 and 15 K81 models of domestic machines which were formerly competing seriously with indigenous machines. We are satisfied that these 15 KSV models of Singer Sewing Machines, though they are described as industrial machines and cost a little more than the 15 K models, can be used also as domestic machines. In the course of their evidence before the Board, the representatives of the

Singer Company admitted that such a substitution of Singer 15 KSV machines for Singer 15 K machines was possible. In this connection, we may also mention that imports of 15 KSV models of Singer Sewing Machines have rapidly increased in recent years, being 19,027 in 1946, 27,913 in 1947 and 40,816 in 1948. We consider therefore that the present restriction on imports of domestic machines may be, and is probably being, evaded by the importation of large numbers of light industrial machines of 15 KSV 80 and 15 KSV 81 models which can be extensively substituted for domestic machines. In order that the restriction on imports of domestic sewing machines may be effectively exercised, we recommend that the distinction between domestic and industrial machines should be clearly defined. Mr. T. R. Gupta, General Manager and Director of Jay Engineering Works, has suggested that the two types of machines should be defined as follows: -

"Domestic machines are those which are used for stitching light clothing, while industrial machines are those which are used for stitching heavy clothing or leather or hosiery."

We consider this definition to be fairly satisfactory. As it may not, however, be feasible for the import control authorities to apply this distinction in practice, we suggest that, for purposes of import control, sewing machines with a landed cost of Rs. 300 or less should as a rule be regarded as domestic machines while all machines with a landed cost above Rs. 300, inclusive of the cost of cover, should be regarded as industrial machines. There are, however, a few models of domestic machines which are equipped with certain special fittings, such as electric motor or a carrying case or a cabinet with a number of drawers. The landed cost of such machines may exceed Rs. 300 per machine but they should not, on that account, be classed as industrial.

(b) *IMPORTS*.- A statement showing imports of sewing machines in 1946-47, 1947-48, 1948-49 and in the month of April, 1949, is given in Appendix III.

It will be found from the statement that 56,098 machines valued at Rs. 1,10,01,095 were imported in 1948-49 and 3,634 machines valued at Rs. 7,84,861 were imported in April, 1949. The principal sources of imports in 1948-49 were the U.K., Germany, the U.S.A., Australia, Sweden and Japan.

8. Export of sewing machines of Indian manufacture

Exports. has been freely allowed since 1947. No licence is required in respect of all countries including Pakistan for the export of machinery (including sewing machines) of 100 per cent. Indian manufacture and all Indian-made machinery (including sewing machines) consisting of imported parts from soft currency countries up to 50 per cent. of its composition. Jay Engineering Works Ltd. have informed the Board that in 1948-49 they exported about 1,000 machines to Pakistan, East Africa, Turkey, Burma and Thailand. K. C. Mullick & Sons have also informed the Board that there is a demand for their machines in Ceylon.

9. The average annual demand for sewing machines

Demand. in undivided India during the period 1937-38 — 1939-40 was about 75,000. The interim Tariff Board in its report of 1947 estimated the demand for sewing machines in undivided India for 1947-48, 1948-49 and 1949-50 to be 1,20,000 machines per annum. This estimate has now proved to be on the high side. We have, therefore, estimated afresh the demand in the country. In 1948-49 the number of sewing machines absorbed in the country was as follows:-

Imported machines	56,098
Sale of Usha machines	19,937
(Jay Engineering Works)	
Sale of Mullick machines	779
(K. C. Mullick & Sons)	
Total	<u>76,814</u>

Making due allowance for an increase in the demand year by year, we estimate the future demand as follows:-

1949-50	80,000	sewing machines
1950-51	85,000	"
1951-52	90,000	"

In view of the present import restriction on domestic machines, it is necessary to break up the total demand for sewing machines into domestic machines and industrial machines. The Singer Sewing Machine Company has estimated that the demand for the two types of machines will be approximately 50 per cent. each. Since, however, certain types of light industrial machines, namely, Singer KSV 80 and 81, can also be used as domestic machines, we estimate the probable demand for the two types of machines as:

Domestic machines	60 per cent.
Industrial machines	40 per cent.

On this basis, the two types of machines are likely to be required in the country in the next three years as under:-

	Domestic machines	Industrial machines
1949-50	48,000	32,000
1950-51	51,000	34,000
1951-52	54,000	36,000

10. The estimated rated capacity of the two indigenous existing units is as under:- production.

Rated capacity
for single
shift.

Jay Engineering Works,
Calcutta.

30,000 domestic
machines (hand
and treadle)

K. C. Mullick & Sons.

1,500 domestic
machines
(treadle).

It may be stated that Jay Engineering Works propose to raise their capacity to 60,000 machines per annum within the next five years. K. C. Mullick & Sons also propose to start their new factory about the middle of 1950 and raise their capacity to 36,000 machines per annum within two years. The figures of their actual production in the last three years and of their expected production in the next two years are set out below:-

	1946-47	1947-48	1948-49	1949-50	1950-51
Jay Engineering Works.	6,490	11,783	20,937	27,000	30,000
K. C. Mullick & Sons.	381*	380*	803*	1,000	1,500
Total	6,871	12,163	21,740	28,000	31,500

* For 10 months in each year.

11. The Directorate-General of Industries and Supply, Government of India, has stated that, though the quality of Usha machines has improved a good deal since 1946, it is still below the standard of the imported machines and that the quality of Mullick sewing machines is also inferior to that of the imported machines. This view is shared by the importers and consumers. From our enquiries, however, we have found that Jay Engineering Works have been ready to take steps to remove the causes of complaint from the users of their machine and have been able to improve its quality. Our Technical Adviser, Mr. R. N. Kapur, has informed us that in his opinion Mullick & Sons have also given close attention to effecting improvement in the quality of their machine. It may also be mentioned that the two indigenous manufacturers have, so far experienced no difficulty in the quick disposal of their entire production. This shows that the indigenous machines are becoming popular with the consumers. Both the manufacturers have, however, admitted that the quality of their machines is still not up to the best standards of the imported machines and that there is still room for improvement in their own machines. In this connection, it may be pointed

out that the lack of suitable types of wood and painting materials is also to some extent responsible for the inferior finish and appearance of indigenous machines. We are of the opinion that the indigenous sewing machines are fairly satisfactory and that they are likely to attain the standard of the imported machines within a reasonably short period of time.

12. In connection with the Board's inquiry in Cost of production and fair ex-factory price. 1947, the costs of production at Jay Engineering Works had been investigated. On the present occasion also, costs of production at the same factory were examined. As this firm desires that its cost figures should be kept confidential, the details of such costs are not included in this Report but are being forwarded to Government as a separate confidential enclosure to the Report. Cost of production and fair ex-factory price of a 'Usha' hand machine and a 'Usha' treadle machine have been estimated for the year 1948-49. The main items of costs and their increase or decrease as compared with the corresponding items in the cost estimate for 1946-47, are given below:-

(a) The cost of materials has increased from Rs. 27.70 to Rs. 30.52 in the case of a hand machine and from Rs. 41.94 to Rs. 51.51 in the case of a treadle machine.

(b) Due to an increase in the rates of basic wages and dearness allowance, the cost of labour has increased from Rs. 35.96 to Rs. 44.08 in the case of a hand machine and from Rs. 35.96 to Rs. 47.48 in the case of treadle machine.

(c) The cost of repairs, maintenance and consumable stores, etc., has increased from Rs. 4.50 to Rs. 9.04 in the case of both types of machines.

(d) On the other hand, due to a large increase in output, the cost of establishment had decreased from Rs. 22.36 to Rs. 4.89 per machine. Similarly, the cost of depreciation has been reduced from Rs. 23.03 to Rs. 7.65 per machine.

(e) Working capital has been taken at Rs. 7.5 lakhs which works out to about 4 months' cost of production. Interest has been allowed at 4 per cent. for this month. The incidence of interest has increased from Rs. 1.34 to Rs. 1.38 per machine.

(f) The block has increased from Rs. 5,16,500 to Rs. 18,00,000. Return on this block has been allowed at 10 per cent. per annum. The amount of return comes to Rs. 8.59 per machine for 1948-49 as compared with Rs. 17.22 per machine in 1946-47.

(g) Advertisement and selling expenses have been allowed at Rs. 5.5 per machine, there being an increase of Re. 0.5 per machine.

(h) *Allowance for freight disadvantage* has been allowed at Rs. 2 for a hand machine and Rs. 3 for a treadle machine. The corresponding figures for 1946-47 were Rs. 1.5 and Rs. 2.5 respectively.

(i) The Board's estimate of fair ex-factory price for 1948-49 comes to Rs. 129 for a hand machine and Rs. 161 for a treadle machine. The corresponding figures for 1946-47 were Rs. 153 for a hand machine and Rs. 173 for a treadle machine. From this, it would be seen that the estimate of fair ex-factory price has been reduced by Rs. 24 in the case of a hand machine and by Rs. 12 in the case of a treadle machine. This reduction in the fair ex-factory price inspite of an increase in the cost of materials and rates of wages, has been brought about largely through an increase in the output.

13. A statement giving the latest c.i.f. prices C.I.F. prices and landed costs of sewing machines landed costs. will be found in Appendix IV. The representatives of manufacturers have suggested that for purposes of comparison with indigenous machines in respect of prices, the Singer sewing machines 15 K 81-195 (hand) and 15 K 80-55 (treadle), should be taken. It may be added that these models of Singer machines were also taken for comparison with 'Usha' machines at the previous tariff inquiry held in 1947. The c.i.f. prices of these two models of Singer machines upto 31st August, 1949, were Rs. 147-10-0

and Rs. 184-1-0 respectively. The Singer Sewing Machine Company, in its letter dated 24th September, 1949, has informed the Board that since 1st September, 1949, the c.i.f. prices of these models have gone up to Rs. 166-12-0 and Rs. 197-12-0 respectively. Their present landed cost is as under:-

	Singer Sewing Machines.					
	15 K 81-195		15 K 80-55			
	(hand)	(treadle)	(with cover)	(with cover)		
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.		
(a) C. I. F.	166	12	0	197	12	0
(b) Duty, 24 per cent.	40	3	0	47	7	0
(c) Landing and clearing charges.	0	10	0	1	7	0
(d) Landed cost with duty.	207	9	0	246	10	0
(e) Landed cost ex-duty	167	6	0	199	3	0

14. A comparative statement of landed costs of Comparison of the imported machines and the fair ex-landed costs factory prices of indigenous machines with fair ex-factory prices. is given below:-

	Hand machine	Treadle machine	
	Rs. A. P.	Rs. A. P.	
(a) C. I. F.	166	12	0
(b) Duty, 24 per cent.	40	3	0
(c) Landing and clearing charges.	0	10	0
(d) Landed cost with duty.	207	9	0
(e) Landed cost ex-duty.	167	6	0
(f) Fair ex-factory price.	129	0	0
(g) Excess of landed cost ex-duty over fair selling price i.e., (e-f).	38	6	0
(h) Excess of landed cost with duty over fair ex-factory price, i.e., (d-f).	78	9	0
	38	3	0
	85	10	0

The figures given above indicate that the landed cost of comparable imported machine, even without duty, would be higher than the fair ex-factory price of an indigenous machine. With duty at the existing rate, the landed cost of the imported machine becomes appreciably higher than the fair ex-factory price of the indigenous machine. On this basis, therefore, there would be no case for any protection.

15. At the previous tariff inquiry held in 1947, Allowance for prejudice. the indigenous manufacturers claimed that an allowance of Rs. 50 per machine should be given on account of the prejudice against the Indian-made machines. The Board decided to make an allowance for prejudice at the rate of Rs. 50 per machine, for 1946-47, but this allowance was to be reduced by Rs. 10 every year. At the present inquiry, the indigenous manufacturers have stated that, inspite of a definite improvement in the quality of their machines during the last two years, the prejudice has not diminished, and they have, therefore, claimed that the allowance for prejudice should be raised to Rs. 100 per machine. In support of this claim, they have pointed out that the present retail selling price of a Usha machine is about Rs. 100 less than that of the 15 K model of a Singer machine. While we believe that there is still some prejudice against the indigenous machine, we do not see any reason why the allowance for such prejudice should be increased from Rs. 50 to Rs. 100 per machine.

16. We have received ample evidence showing that Comparison of retail selling prices. the indigenous machines are becoming increasingly popular and that the indigenous manufacturers have not suffered from an abnormal accumulation of stock. As a matter of fact, so far as Usha machines are concerned, the manufacturers have sometimes been unable to meet the effective demand. This favourable position in respect of stocks may be partly due to import control but we believe that it is also partly due to the growing popularity of the indigenous machines. In these circumstances, we have decided to continue the same rate of allowance on account of prejudice, namely Rs. 50 per

machine. That is to say, the retail selling price of a Usha machine should be about Rs. 50 less than the corresponding price of a Singer machine of a comparable model. A comparative statement of the retail selling prices of Singer machines and Usha machines at the time of inquiry is given below:-

	Hand machine	Treadle machine
	Rs.	Rs.
(a) Singer	300	350
(b) Usha	200	245
(c) Excess of (a) over (b)	100	105

From the above figures, it will be seen that the present margin of difference between the retail selling prices of Singer machines and those of Usha machines is more than sufficient to cover the existing prejudice against the indigenous machines. These figures also indicate that, if the price of the imported machines were reduced by as much as Rs. 50 per machine, or if the present duties, viz.. Rs. 40-3-0 and Rs. 47-7-0 on hand and treadle machines respectively, were abolished, there would still remain a margin of over Rs. 50 per machine in favour of the indigenous machines.

17. The existing measure of protection to the Measure of sewing machine industry has been in protection. force since 22nd March, 1947. During the last two and a half years of protection, the indigenous industry has been able to dispose of its steadily increasing output at a remunerative price. During the same period, however, there has been import restriction in respect of domestic sewing machines. It is, therefore, difficult to say whether the indigenous industry would have enjoyed such a favourable position in the home market if there had been no import control. It is true that the current levels of comparative prices do not indicate the need for the continuance of protection to the sewing machine industry. At the same time, however, it has to be remembered that the capacity of the indigenous machines to compete freely with the imported machines cannot be correctly assessed until import control has been completely lifted. Moreover, in view of the

present gap between the estimated demand and domestic production, it is desirable that further expansion of domestic production should be encouraged. Of the two existing units of the industry, Jay Engineering Works proposes to increase its production considerably during the next three years, while the other unit, namely, K. C. Mullick & Sons, proposes to establish a new factory with larger and more up-to-date equipment, which will take about three years to attain a reasonably large output. For these reasons, we consider that protection to this industry should be continued for a further period of three years. Moreover, the present rate of duties, namely, 24 per cent. *ad valorem* in respect of imports from the U.K. and 36 per cent. *ad valorem* in respect of imports from countries other than the U.K., were the rates of revenue duties in 1947. Even if there had been no protection, we believe that these rates would have continued as revenue duties. Their conversion into protective duties has not, therefore, imposed an additional burden on consumers. At the same time, their continuance as protective duties will serve to give a sense of security to the investors and manufacturers and thereby induce them to invest more capital for expansion of the industry. We, therefore, recommend that the existing rates of protective duties, namely, 24 per cent. *ad valorem* in respect of imports from the U.K. and 36 per cent. *ad valorem* in respect of imports from other countries, should be continued until 31st March, 1953.

18. If our proposal in respect of protective Proposed change duties is accepted by Government, the in the Tariff only amendment required in the rela-Schedule. tive item of the Import Tariff

Schedule (Thirty-fifth Issue), namely, item 72(11), would be to substitute the words "March 31st, 1953" for the words "March 31st, 1950" in the last column of the Schedule, namely, 'Duration of protective rates of duty.'

19. The indigenous manufacturers have requested Other assistance. that there should be a complete ban on imports of competitive sewing machines. We consider that the rates of duties

proposed by us should give adequate protection to the indigenous industry and that a continuance of the present restriction on imports of sewing machines, though it may be necessary for balance of payment considerations, will not be required for the protection of this industry. The manufacturers have also asked for larger facilities in respect of transport procurement of special steels, plywood, veneer and boards, cellulose paints and plating materials, and needles. They have, however, acknowledged that the Directorate General of Industries and Supplies (Development Section) has so far given them adequate facilities in respect of all these matters. We recommend that such facilities should be continued to be given to the industry in future also.

20. As already mentioned in paragraph 2 above, Maintenance of cost data and production statistics. under the Ministry of Commerce Resolution No. 30-T(1)/48, dated the 6th August, 1948, the Board is authorised to maintain a continuous watch over the progress of protected industries and advise Government regarding the necessity or otherwise of modifying the protection or assistance granted. In order that the Board may keep an effective watch over the progress of this industry, it is necessary that all the units in the industry should maintain and forward to the board, detailed cost data at the end of every half year and statistics of production, sales and stocks, together with the list of selling prices, at the end of each quarter.

21. Our conclusions and recommendations are as Summary of conclusions and recommendations. under:-

(i) There are at present two factories manufacturing sewing machines in the country, both being situated in Calcutta (paragraph 5).

(ii) All the raw materials required for the industry are available within the country, except six categories of special steel productions, suitable types of plywood, veneer and boards, cellulose paints and plating materials, certain special types of abrasive paper and cloth, and needles (paragraph 6).

(iii) Under the present import control, no licenses are issued for imports of domestic sewing machines while there are restrictions on imports of industrial sewing machines and parts of sewing machines [paragraph 7(a)].

(iv) In order that the restriction on imports of domestic sewing machines may be effectively exercised, the distinction between domestic and industrial machines should be clearly defined as indicated in paragraph 7(a).

(v) In 1948-49, 56,098 sewing machines, valued at Rs. 1,10,01,095, were imported. The Principal sources of imports were the U.K., Germany, the U.S.A., Australia, Sweden and Japan [paragraph 7(b)].

(vi) In 1948-49, about 1,000 sewing machines were exported to Pakistan, East Africa, Turkey, Burma and Thailand (paragraph 8).

(vii) The demand for sewing machines is estimated at 80,000 machines for 1949-50, 85,000 machines for 1950-51 and 90,000 machines for 1951-52. About 60 per cent. of the demand is for domestic machines and 40 per cent. for industrial machines (paragraph 9).

(viii) The production of sewing machines in the country has increased from 6,871 in 1946-47 to 21,740 in 1948-49. It is expected that 28,000 machines will be manufactured in 1949-50 and 31,500 machines in 1950-51 (paragraph 10).

(ix) The quality of the indigenous sewing machines is fairly satisfactory and is likely to attain the standard of the imported machines within a reasonably short period of time (paragraph 11).

(x) In the larger factory, namely, Jay Engineering Works, the estimate of fair ex-factory prices for 1948-49 comes to Rs. 129 for a hand machine and Rs. 161 for a treadle machine. The corresponding figures for 1946-47 were Rs. 153 for a hand machine and Rs. 173

for a treadle machine. Thus, there has been an appreciable reduction in the fair ex-factory price of indigenous machines during the period of protection (paragraph 12).

(xi) A comparison of the prices of imported machines of comparable models and those of indigenous machines does not by itself indicate the need for continuance of protection (paragraphs 14 and 16).

(xii) An allowance of Rs. 50 per machine has been made for prejudice against the indigenous machines (paragraph 16).

(xiii) The present rates of protective duties were the rates of revenue duties in force in 1947 and their conversion into protective duties has not imposed an additional burden on the consumers. At the same time their continuance as protective duties will serve to give a sense of security to the investors and manufacturers and thereby induce them to invest more capital for expansion of the industry. It is, therefore, proposed that the existing rates of protective duties, namely, 24 per cent. *ad valorem* in respect of imports from the U.K. and 36 per cent. *ad valorem* in respect of imports from other countries, should be continued until 31st March, 1953 (paragraph 17).

(xiv) It is proposed that the relative item of the Import Tariff Schedule, namely, item 72(11), should be amended as indicated in paragraph 18.

(xv) The rates of duties proposed by us should give adequate protection to the indigenous industry and, consequently, the continuance of the present restriction on imports of sewing machines, though it may be necessary for balance of payment considerations, will not be required for the protection of the industry (paragraph 19).

(xvi) Necessary facilities in respect of transport of raw materials and finished products and for procurement of special steels, plywood, veneer and boards, cellulose paints and plating materials, and needles,

should be continued to be given to the industry (paragraph 19).

(xvii) All the units in the industry should maintain and forward to the board, detailed cost data at the end of every half year and statistics of production, sales and stocks, together with the list of selling prices, at the end of each quarter (paragraph 20).

22. The Board's thanks are due to the representatives of manufacturers, importers and consumers and also to Mr. R. N. Kapur, Technical Adviser, and Mr. K. Nagaswami, Assistant Cost Accounts Officer, for their valuable help in connection with the inquiry.



G. L. MEHTA,
President.

H. L. DEY,
Member.

B. V. NARAYANASWAMY,
Member.

R. DORAI SWAMY,
Secretary.

Bombay,
The 23rd November, 1949.

APPENDICES



सत्यमेव जयते

APPENDIX I
(Vide paragraph 4)

List of firms or bodies to whom the Board's standard questionnaires were issued and from whom replies or memoranda were received.

- * Indicates those who replied to our standard questionnaire or submitted memoranda.
- ** Indicates those who were not interested in the inquiry.

A. PRODUCERS:

- *1. M/S Jay Engineering Works Ltd.,
P.O.Box 2158, Calcutta.
2. M/S Khalsa Cycle Works,
Newashahar, Jullundur, East Punjab.
3. M/S R. L. Seth & Co.,
Charkhawalan, Chawri Bazar, Delhi.
4. M/S K. C. Mullick & Sons Ltd.,
77/13, Dharamtolla Street, Calcutta.
5. The Delhi Sewing Machine Co. Ltd.,
M. J. Building, behind Reserve Bank,
Chandni Chowk, Delhi.

B. IMPORTERS:

- *1. Bell & Co. Ltd.,
19, Sir Pherozeshah Mehta Road, Fort, Bombay.
2. Imperial Sewing Machines and Radios,
Mangalwadi, Girgaum Road, Bombay 1.
- *3. Pednekar & Co.,
172, Girgaum Road, Bombay 4.
- *4. Pfaff Sewing Machine Co. (India) Ltd.,
Block M, Connaught Place, Post Box 228,
New Delhi.
- **5. Radhika Suresh, Briksh,
Mumbai.

- *6. Shah & Co.,
161, Charni Road, Girgaum, Bombay 4.
- *7. Singer Sewing Machine Co.,
P. B. No. 441, Hornby Road, Fort, Bombay.
- 8. Union Industrial Co.,
Hanuman Buildings, Chickpet, Bangalore City.

C. CONSUMERS:

- 1. Army and Navy Stores Ltd.,
Hornby Road, Fort, Bombay.
- *2. Director (Clothing),
Director-General, Ordnance Factories,
6, Esplanade East, Calcutta 1.
- **3. Evans Fraser & Co. (India) Ltd..
Hornby Road, Fort, Bombay.
- *4. Pedneker & Co. Ltd.,
172, Girgaum Road, Bombay 4.
- 5. Shahjahanpur Clothing Factory,
Shahjahanpur (U.P.).
- 6. Tailor & Co.,
Charni Road, Bombay.
- **7. Whiteaway, Laidlaw & Co. Ltd.,
Hornby Road, Fort, Bombay.
- 8. Bombay United Trading Co.,
6, Western India House, Sir P. M. Road, Bombay.

APPENDIX II
(Vide paragraph 4)

*List of persons who tendered oral evidence on 29th,
 30th, 31st August, and 20th September, 1949.*

PRODUCERS:

Mr. B. S. Agarwal } Mr. T. R. Gupta }	Representing Jay Engineering Works Ltd., Calcutta.
Mr. K. C. Mullick } Mr. R. C. Mullick }	,, K. C. Mullick & Sons Ltd., Calcutta.

CONSUMERS:

Mr. C. Prakash } Mr. B. M. Gupta }	Bombay United Trading Co., Bombay.
*Mr. K. M. Pednekar	,, Pednekar & Co. Ltd. Bombay.

IMPORTERS:

Mr. W. R. Williamson } Mr. C. C. Square }	,, Singer Sewing Machine Co., Bombay.
Mr. A. R. Davar } Mr. M. L. Davar }	,, Pfaff Sewing Machine Co., (India) Ltd., Bombay.
Mr. S. S. Naik	,, Bell & Co. Ltd., Bombay.
Mr. H. Shah	,, Shah & Co., Bombay.

*They are importers also.

APPENDIX III

[(Vide paragraph 7(b)].

Statement showing the imports of sewing machines into India by sea from abroad during the three years 1946-47, 1947-48 and 1948-49, and during the month of April 1949.

Countries of consignment	1946*-47		1947*-48		1948*-49		Month of April 1, 1949	
	No.	Value Rs.	No.	Value Rs.	No.	Value Rs.	No.	Value Rs.
United Kingdom	57,848	72,18,871	51,658	79,11,906	50,920	95,09,097	2,089	4,12,705
Sweden	520	82,057	564	86,623	846	1,31,940	10	2,264
Germany	--	--	--	--	1,532	3,11,049	603	1,22,416
Italy	642	88,634	51	10,092	4	2,295	1	549
United States	468	1,55,950	996	4,76,547	1,340	8,35,441	159	73,717
Switzerland	1	452	61	15,380	46	28,818	450	1,20,370
Japan	--	--	--	--	282	1,45,447	321	52,759
Ceylon	4	1,002	2	190	54	18,253	1	81
Australia	--	--	--	--	1,056	15,181	--	--
Other countries	3	2,183	43	8,277	18	3,574	--	--
Total	59,486	75,49,149	53,385	85,09,015	56,098	110,01,095	3,634	7,84,861

* Relates to British India (India and Pakistan).

● Figures exclude the direct foreign sea-borne trade of the Pakistan provinces of Sind and East Bengal with effect from the 1st and the 15th August, 1947, respectively. They also exclude India's foreign sea-borne trade with Pakistan upto February, 1948.

◆ Combined figures of private merchandise and Government stores are shown.

Note.—The figures are exclusive of the sea-borne trade of Saurashtra (for the month of April, 1949).

APPENDIX IV

(Wide paragraph 13)

STATEMENT SHOWING THE LATEST C.I.F. PRICES AND LANDED COSTS OF SEWING MACHINES.

(a) HAND SEWING MACHINES.

S. No.	Source of information.	Origin of import	Date of import	Type and specification	C. I. F. Rs. as. ps.	Customs duty 24% Rs. as. ps.	Clearing charges Rs. as. ps.	Landed costs Rs. as. ps.	Selling price Rs. as. ps.	Remarks
1	2	3	4	5	6	7	8	9	10	11
Singer Sewing Machine Company, Bombay.	U. K.	Oct. 1948	15K81CW	154	0	37	4	0	192	4 0
	U. K.	Nov. 1948	15K81CW- 162	162	0	39	8	0	15	0 0
			195(hard)					0	202	7 0
	U. K.	Nov. 1948	92K22CW- 147	9	0	35	5	0	1	2 0
			260					0	184	0 0
	U. K.	Nov. 1948	12854CW- 142	8	0	32	13	0	1	1 0
			261					0	176	6 0
	U. K.	April 1949	201K4CW- 172	8	0	41	11	0	14	0 0
			194					0	215	1 0
	U. K.	April 1949	128K4CW- 134	14	0	32	10	0	13	0 0
			198					0	168	5 0
	U. K.	May 1949	15K81-195 147	10	0	35	12	0	10	0 0
			(hand)					0	184	0 0
	U. K.	May 1949	140 15	0	34	1	0	13	0	175 13 0
			195					0	270	0 0
Pfaff Sewing Machine Co., (India) Ltd., Dehra	Germany	Oct. 1948	Class 217	3	0	78	2	0	14 12 0	309 14 0 425 0
			362					0		
Collector of Customs, Calcutta.	U. K.	May 1949	15K80 Hard Machine with cover (Singer).							

This also

includes wharf-age demurrage
incidental charges including establish-

ment at Bombay
specially for
clearing con-
signments and
also other un-
foreseen charges.

The machine is sup-
plied to the agents
at Rs. 375/- f.o.r.
destination

1	2	3	4	5	6	7	8	9	10	1
Collector of Customs, Calcutta.	U. K.	May 1949	128K	Long shuttle model	135	8	0			
			Hand with cover	(Singer).						
U. K.	May 1949	201K-4	172	8	0					
		Hand Machine		(Singer).						
U. K.	May 1949	92K32	141	8	0					
		Hand Machine		(Singer).						
Collector of Customs, Bombay.	U. K.	Dec. 1948	Hand with	134	0	0	32	3	0	0
		cover	(Jones).							
U. K.	Latest price list	15K80	147	0	0					
	letter dated	hand with cover	(Singer).							
15.7.49.										
U. K.	Do.	15K8W81	162	0	0					
		Industrial hand with cover	(Singer).							
U.K.	Do.	128K	134	0	0					
		Hand with cover	(Singer).							
U. K.	Do.	201K1	172	0	0					
		Hand with cover	(Singer).							
Collector of Customs, Madras.	U. K.	Letter dated 15-6-49	15K80	*155	0	0				
			Hand with cover	(Singer).						

U. K.	Do.	15KSV Hand with cover	*170	8	0
U. K.	Do.	(Singer), *142 128K Long shot- the model with cover	0	0	0
U. K.	Do.	20LK-4 Hand machine (Singer).	*155	2	0
U. K.	Do.	98K-32 Hand machine (Singer).	*122	0	0

(Singer).

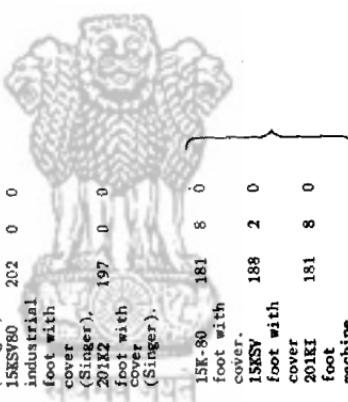
*The figures indicate the approximate c.i.f. prices on the basis of the f.o.b. value shown in the Company's price list plus 10% for freight and insurance charges.

(b) FOOT (Treadle Sewing Machines).

Singer, Sewing Machine Co., Bombay	U. K.	Oct. 1948	20LKICW51	312	10	0	75	9	0	2	3	0	390	6	0	675	0
	U. K.	Feb. 1949	15K80CW1	192	15	0	46	5	0	2	0	0	241	4	0	410	0
	U. K.	Do.	15K80CW2	207	4	0	49	2	0	2	0	0	258	6	0	430	0
	U. K.	March 1949	15K80-55 (Treadle).	184	1	0	44	9	0	1	7	0	230	1	0	350	0
	U. K.	Do.	210KICW- 233	206	7	0	49	14	0	1	4	0	257	9	0	445	0
	U. K.	Do.	201KICW1	217	7	0	52	4	0	2	1	0	271	12	0	465	0
	U. K.	Do.	201KICW2	229	12	0	55	1	0	2	0	0	286	14	0	485	0
	U. K.	April 1949	15K80-SR- SH33366.	203	12	0	49	4	0	1	4	0	254	4	0	370	0
	U. K.	Do.	SH33361. 15K80CW- 223	181	15	0	44	0	0	1	3	0	227	2	0	390	0
	U. K.	May 1949	15K80CW51	288	2	0	69	10	0	2	2	0	359	14	0	620	0
	U. K.	Do.	15K-81 Foot Machine.	182	0	0	43	10	0	1	0	0	226	10	0		
Bell & Co., Ltd., Bombay.	Germany 8-10-48 (French Zone)	30/31 foot machine.	275	13	4	99	4	8	2	10	3	377	12	3	485	0	0
	Sweden	12/204	190	5	11	68	8	6	2	9	0	261	7	5	355	0	0

1	2	3	4	5	6	7	8	9	10	11
Collector of Customs, Bombay.	Switzer- land	Nov. 1948	116 foot with cover	310	0	0				
Japan	March 1949	Foot (Brinna).	160	0	58	0	1	0	219	0
Sweden	April 1949	Foot with cover Husqui- everna.	195	0					275	0
U. K.	letter dated 15-7-49	15K81 foot with cover	172	0	0					
U. K.	Do.	{(Singer). 15KSY80 industrial foot with cover}	202	0	0					
U. K.	Do.	{(Singer). 201K2 foot with cover}	197	0	0					
Collector of Customs, Madras.	Letter dated 15.6.49	15K-80 foot with cover.	181	8	0					
U. K.	Do.	{15KSY foot with cover}	188	2	0					
U. K.	Do.	{201KI foot machine.}	181	8	0					
Collector of Customs, Calcutta.	May 1949	15K-81 foot machine.	182	0	43	10	0	1	226	0
U. K.	Do.	{15KSY80 foot machine with cover.}	202	0	48	0	0	1	251	0
U. K.	Do.	201-K	197	0	0					

The figures indicate the approximate c.i.f. prices on the basis of the f.o.b. value shown in the Company's export price list plus 10% for freight and insurance charges.



(c) INDUSTRIAL SEWING MACHINES.

Singer Sewing Machine
Co., Bombay.
U. K. April
1949.

103K10
*stand table
284 3 0 68 11 0 1 8 0 354 6 0 495 0 0

(d) ELECTRIC SEWING MACHINES.

Singer Sewing Machine
Co., Bombay.

	U. K.	Jan. 1948	201K3CW- 250	280 12 0	66 7 0	1 8 0	348 11 0	535 0 0
U. K.	March 1949	201K3CW- 40	417 5 0	100 14 0	1 9 0	519 12 0	800 0 0	
U. K.	May 1949	201K3CW- 264	280 12 0	66 7 0	1 8 0	348 11 0	550 0 0	
U. K.	Do.	15K82CW- 264	256 8 0	60 8 0	1 7 0	318 7 0	495 0 0	
U. K.	Do.	99813CW- 262	248 9 0	58 11 0	1 6 0	308 10 0	465 0 0	
Collector of Customs, Bombay.	U. K.	Nov. 1949	201K3 Portable Electric. 7000/ZMD	275 0 0				
				250 0 0				

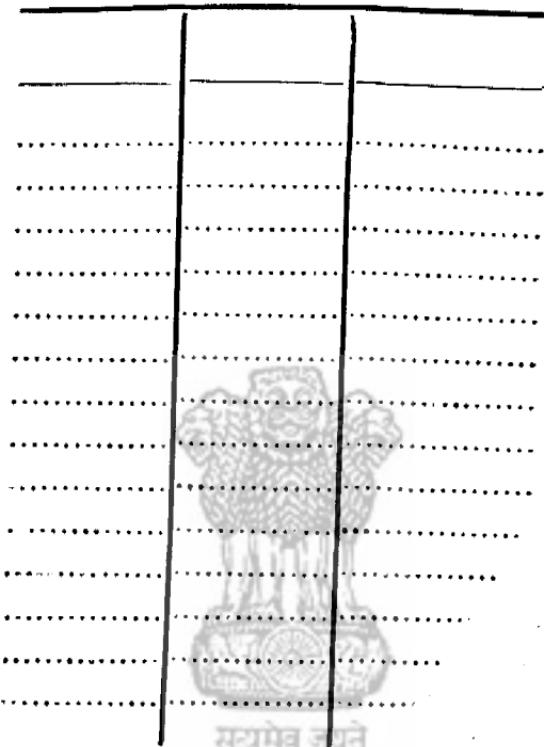
(e) OTHER TYPES (Unclassified).

Collector of Customs,
Bombay.

	Germany Dec. 1948	87-Alder 425 0 0
Germany	Do.	89-4 Adler 485 0 0
Germany	April 1949	Phoenix 535 0 0
U. K.	Nov. 1948	7000/OA 190 0 0
U. K.	Do.	7000/ZA 168 0 0
U. K.	Do.	7000/Z 160 0 0

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Messrs. Guest Keen Williams Ltd., who were classified as A-1 re-rollers and for whom a conversion rate of Rs. 45/- per ton was fixed. Extra conversion costs were also fixed for rolling from raw materials other than billets, and extras for certain sections of rounds and squares were laid down. These extras were the then existing commercial extras charged by the Main Producers. The conversion rates mentioned above were allowed only for orders booked up to 31st October, 1942, and were modified in respect of orders booked from 1st November, 1942 onwards, as follows:-

		Bars and rods	Structurals
'A'-1 re-rollers	...	Rs. 45/-	Rs. 35/-
'A'	"	Rs. 70/-	Rs. 60/-
'B'	"	Rs. 90/-	Rs. 80/-
'C'	"	Rs. 100/-	Rs. 90/-

It may be noted that for structurals a conversion rate of Rs. 10/- below that for bars and rods was fixed.

(b) Up to 1st February, 1943, the re-rollers' sale price was equal to their retention price calculated on the basis of the conversion rates indicated above and no adjustment was made with them. From that date, however, they had to sell their products at controlled rates and the difference between their retention prices and the controlled rates was adjusted with the Equalisation Fund. Further modifications in the conversion rates were made as follows:-

		Bars and rods	Structurals
<i>From 1-5-43:</i>			
'A'-1 re-rollers	...	Rs. 57/8-	Rs. 47/8-
<i>From 1-11-43:</i>			
'A'-1 re-rollers	...	Rs. 65/-	Rs. 55/-
'A'	"	Rs. 85/-	Rs. 75/-
'B'	"	Rs. 110/-	Rs. 100/-
'C'	"	Rs. 120/-	Rs. 110/-